

BIG STOCK DIVIDENDS RESULT OF HYSTERIA

Financial Interests Per-
turbed by New Ruling
Against Trust Funds.

FEAR FOR THE FUTURE

Mark Eisner Shows How
Congress Could Make
Retrospective Levy.

COMPANIES CAN'T ESCAPE

Supreme Court Has Still to
Decide Whether Excise May
Work Backward.

The Rockefeller group and other large financial interests are considerably disturbed. It is understood, over the ruling of the Solicitor of the Internal Revenue Department on November 20, under which the beneficiaries of trusts receiving stock dividends are required to pay income tax on those dividends to the extent of their fair market value at the time of the disbursements.

The ruling followed the capitalization of surpluses and the declaration of stock dividends by a long list of corporations whose hysteria was caused largely by belief that the 200 per cent stock dividend declared early in the fall by the Gulf Oil Corporation, which is dominated by the family to which the Secretary of the Treasury, Mr. Mellon, belongs, was the result of inside information concerning future tax legislation.

The importance attached to the ruling of November 20 has caused the country's large financial interests to send their tax attorneys to Washington to obtain official interpretation of the order. The effort to get its exact meaning eventually may take the entire subject of stock dividends again before the United States Supreme Court.

"Perhaps Corporations Do Not Know."

The following construction was placed on the ruling by Mark Eisner, formerly collector of internal revenue for the Third district of New York:

"There is little doubt that if this ruling is sustained by the courts a large tax liability will be established on interests controlling corporate surplus sufficiently important to prevent the declaration of stock dividends in the first instance. While it may be true that some corporations may have valid reasons for stock distributions, it is equally true that other corporations are laying themselves open to investigation and scrutiny and are accomplishing nothing of value to them by such declarations."

"Nothing in the history of taxation recently has occasioned more loose talk and thought than the surplus situation. There has been a tremendous amount of guessing as to the reasons why large corporations have declared stock dividends, without a serious thought to the fact that perhaps these corporations themselves are doing nothing but guessing. Certain it is that most of the dividends would not have been declared with reference to existing law, and many have been declared to avoid possible future legislation, the exact nature of which no one is in a position to divine."

"This much, however, can be accepted as true, namely, that if certain Senators with radical tendencies are going to go gunning after any corporations they will probably center their attack first on those concerns which, by the hasty declaration of stock dividends have indicated that they are afraid of something. In other words they have made shining marks of themselves for radical investigation and attack."

"Great Contagious Hysteria."

"To the calm observer there is a great deal of contagious hysteria in what has been going on. First of all, Section 220 of the Act of 1921, dealing with unnecessary surpluses, is but a reiteration of the declaration contained in prior revenue acts. It is in its intent and purpose unworkable, and the most active Commissioner of Internal Revenue would find it almost impossible to collect any tax for the Government so far as enforcing that section is concerned."

"So ridiculously worded is this section that a man might place all his dividend paying stocks in a holding company and allow the dividends to accumulate without paying a dollar of tax to the Government, because Section 220 adds a penal tax only to the net income of corporations coming within its provisions; and another section of the act permits the deduction of dividends received from other corporations in order to arrive at the net income, and consequently if a corporation has no income other than dividends of other corporations, it will have no net income within the law on which to levy either the 15 1/2 per cent tax or the penal tax of 25 per cent."

"So it seems that everything that is now being done is with reference to the future. It is quite apparent that under the Constitution of the United States Congress cannot tax surplus by any direct tax, except by apportionment, which is physically impossible. Hence corporations have nothing to fear on that score. All discussions of this subject is vain and it can be stated with every degree of positiveness that there will be no direct tax on surpluses."

Tax Might Be Retrospective.

"Suppose Congress should resort to a method of taxing stock dividends, which seems to be in favor with some tax attorneys; namely, to tax corporations on the privilege of declaring and paying stock dividends, on the theory of an excise tax. Corporations which have just declared stock dividends will only escape a retrospective tax if the Supreme Court holds in cases now pending that Congress cannot pass a retrospective excise tax and the declaration of a stock dividend now will be unavailing if the court should not so hold."

"Suppose Congress should retrospectively levy an additional income tax on corporations for a number of years past, where an undue accumulation of surplus has manifested itself. The declaration of stock dividends now would not help a corporation any."

"Another thing worth considering is the fact that the language of the Supreme Court in the stock dividend cases is being interpreted by the Treasury Department in a number of cases in favor of the Government and against the taxpayer with seeming ground for justification."

"For instance, where a corporation

NEW AMPHIBIOUS WAR TANK TO TRY TO SWIM THE HUDSON

Attempt to Be Made Tuesday Afternoon From Jersey
Shore to Dyckman Street, After Machine Shows
Its Ability on Land.

A new battle tank, technically known as the Christie amphibious wheel caterpillar tank, will attempt next Tuesday afternoon to cross the Hudson River under its own power, and engineers of the Army Ordnance Department and of the American Society of Mechanical Engineers hope it will succeed. The tank, as its name implies, is a combination of the wheel, caterpillar and floating types.

The tank is said to be capable of making thirty miles an hour as a wheel tank and of negotiating any terrain that the ordinary caterpillar tank can cross. When it becomes necessary to cross a deep stream a propeller is thrown into gear and the

tank immediately is converted into a floating type, capable of making fairly good swimming speed and carrying a full complement of guns, ammunition, supplies and equipment.

Army ordnance officers and members of the New York Post, Army Ordnance Association, will leave the Engineering Societies Building in buses at 1 o'clock Tuesday afternoon. The tank will first be tried out on the road and then as a caterpillar. Then the tank will plunge into the Hudson from the Jersey shore opposite Dyckman street and will attempt to swim to Manhattan. Observers from the American Society of Engineering will watch from a ferryboat.

declared a stock dividend of all its surplus accumulated subsequent to March 1, 1913, and then thought it could distribute in cash its remaining surplus; namely, that accumulated prior to March 1, 1913, the solicitor of internal revenue held that inasmuch as the stock dividend under the Measure of 1913, the cases distributed nothing, therefore the cash dividend was, according to the law, to be deemed paid out of the most recently accumulated surplus; namely, that accumulated since March 1, 1913, and taxable.

"The fact that a stock dividend is thus held to distribute nothing is worth considering by all who expect to avoid taxes by stock distribution."

KILLED BY KNOCKDOWN.

Eugene E. Crane, 68, of 58 Dayton street, Newark, was felled with a flat blow in a fight in front of the saloon of Edward Rose at 18 Treat place, that city, yesterday morning. His skull was fractured when it came in contact with the pavement and he died an hour or so later. His assailant has not been apprehended.

ASK AMERICA TO GIVE 100,000 AUSTRIANS LAND

That Number Propose to
Come in Next Two Years.

Special Cable to THE NEW YORK HERALD.
Copyright, 1922, by THE NEW YORK HERALD.
VIENNA, Dec. 2.—America is to be asked to receive an additional 100,000 Austrian emigrants in the next two years. They are members of the Association of Supernumeraries, made up of discharged and pensioned state employees. A circular has just been issued which says that the state cannot be expected to bear the burden of so many unemployed, but would be able to give assistance to emigrants provided the members of the association agree to abide by the laws of any country receiving them and not indulge in political radicalism.

The Austrian Government is to be asked to carry on negotiations for the prospective emigrants, but the cost of transportation and material for agricultural and industrial colonies is to be defrayed out of a fund to be collected by the pensioners. American or European countries receiving them, however, will be asked to provide land free.

MISS STONE NOT TIRED OF LIFE.
Olivia M. P. Stone, the nurse who took poison Friday because she has been barred from her profession since her acquittal in April of the murder of Ellis G. Kinkadee, Cincinnati lawyer, changed her mind yesterday about wanting to die. After a long talk with her lawyer, Mrs. Anna W. Hochfelder of 120 Broadway, the nurse expressed the desire to live and to renew her battle to "start all over again." Physicians at Bellevue Hospital announced that Miss Stone has a chance for recovery.

BIG STORES COMBINE FOR BUYING ABROAD

Lord & Taylor, McCreery's
and Jordan Marsh to Have
Single Offices in Europe.

Samuel W. Reyburn, president of Lord & Taylor, announced yesterday that his firm and James McCreery & Co. and the Jordan-Marsh Company of Boston had combined their European offices to facilitate scouting and purchasing in foreign markets. They will take over the Paris, London and Berlin offices of Lord & Taylor.

All members of the Associated Dry Goods Corporation, of which Mr. Reyburn is president and which absorbed the United Dry Goods Company and the Associated Merchants Company in a \$20,000,000 reorganization in 1916, will get the benefit of this new arrangement.

In addition to Lord & Taylor and James McCreery & Co., the members are J. N. Adam & Co., of Buffalo; Hahne & Co., of Newark; The Wm. Hengeman Company, of Buffalo; Powers Mercantile Company, of Minneapolis; Stewart & Co., of Baltimore, and the Stewart Dry Goods Company of Louisville.

Commenting on the new combination Mr. Reyburn said:

"In importing foreign goods scouting buyers are constantly at work trying to uncover and assemble foreign goods that will satisfy the wants of customers in America. Nearly all the larger retail houses in New York, Boston, Phila-

delphia, Chicago and the other large centers of America do a good deal of their importing directly."

"It is probably true that in proportion to their volume New York stores do more direct importing than any other stores in the country, and thus they do what might be called the pioneer and preliminary work on style and novelty items produced in Europe. While this city may be a little behind Europe in the matter of new stylish things it is ahead of the rest of the distributing centers of America."

"Hence many of the other distributing centers can wait and get the experience of New York before stocking with merchandise representing new ideas. It seems necessary, therefore, for New York stores that want to be leaders in style to cover Europe thoroughly with well trained men and women who know both European and American markets."

"In a combination such as we have just formed the expense of scouting and distributing is prorated, and therefore the losses incident to doing this are made less for each member of the group."

"Other groups of American stores are doing the same sort of work. By providing for thoroughness in planning and the careful execution of plans with constant regard for economy prices for the American consumer will be kept at the lowest possible figure."

D.A.R. TO MARK FRANKLIN DAY

Benjamin Franklin's birthday, January 17, will be celebrated notably in New York city. Exercises sponsored by the Daughters of the American Revolution, of which Mrs. Alfred W. Cochran is regent, will be held at the Franklin statue in Park Row. Many dozens of wreaths will be laid at the base of the statue and a string, with a key attached, will extend from Franklin's outstretched hand to an electrically lighted kite on a nearby roof. Men and women in costume will impersonate characters of Franklin's day.

PRIEST TO EXPOSE SPIRITISM.

The Rev. Charles M. de Heredia, S. J., will lecture at the Catholic Club to-night at 8:30 on "Spiritism, the Secrets of the Mediums Exposed." Father de Heredia, widely known in this country, has devoted years of his life to exposing the tricks of mediums. He reproduces all the mystifying tricks and magic used by spiritists to delude and defraud the credulous, usually persons of some means and social position.

ACCEPTS HYLAN CHALLENGE.

DALLAS, Texas, Dec. 2.—Dr. H. W. Evans of Atlanta, Imperial wizard of the Ku Klux Klan, to-day said the challenge to Klansmen by Mayor Hylan of New York will be answered by sending a number of leaders of the organization to New York to make public addresses. He criticized Gov. Allen of Kansas, and said the attitude of the Kansas Executive is unjust.

The Tailored Woman

622 Fifth Avenue at 50th Street



Renee Sponsors Wool
Jersey For Spring

And this is one of the smart new models. The knife pleated skirt hangs from a silk lining—the collars and cuffs are of ecru batiste, accordeon pleated. 38.50.

Green Blouse - Navy Skirt
Flame Red Blouse - Navy Skirt
French Blue Blouse - Navy Skirt
Grey Blouse - Navy Skirt
Gold Blouse - Navy Skirt
Gold Blouse - Black Skirt

Gift box of three pairs
quality 1. chiffon silk
stockings (regularly
4.75 a pair) 10.50.

Exclusive New York Shop for Wooltex Tailormades

BONWIT TELLER & CO.

The Specially Shop of Originations
FIFTH AVENUE AT 38th STREET

ADVANCE ANNOUNCEMENT

Beginning Tuesday, December 5th
ANNUAL DECEMBER
SALE OF FURS

The Most Extraordinary Values
Ever Presented by this Shop

DETAILS IN MONDAY'S EVENING PAPERS.

BONWIT TELLER & CO.

The Specially Shop of Originations
FIFTH AVENUE AT 38th STREET

Simultaneous with Its Vogue in Paris
This Shop Introduces the

"BANDANNA" FELT HAT

at the very special price

12.75

THE IDEAL HAT FOR TOWN,
TRAVEL OR RESORT WEAR.

THE vogue of the gay bandanna kerchief now presents a new phase... draped about the crown of a hat of felt with twisted or knotted ends. The hats are in the season's fashionable shades with all manner of decorative bandannas.

A Patou Fancy That Grew
to a Fashion

"MONOGRAM" OVERBLOUSES

With Simulated Monogram in French or
Oriental Manner

14.50

THE monogram first appeared in Paris as Patou's seal of approval on one of his own creations. Bonwit Teller & Co. now present it as Fashion's seal of approval on four of the smartest models in flat crepe silk overblouses that slip over the head.

The Tucked Blouse with Monogram
The Stitched Blouse with Monogram
The Band-Neck Blouse with Monogram
The Convertible collar Blouse
with Monogram Pocket

SULPHUR, FRENCH GRAY, CHESTNUT OR WHITE.

BONWIT TELLER & CO.

The Specially Shop of Originations

FIFTH AVENUE AT 38th STREET, NEW YORK

Christmas Gifts

One Connoisseur Would Choose For Another

THREE weeks before Christmas, when the gift list seems long and the time seems short, there is just this to remember about a gift from Bonwit Teller & Co. . . . Every gift leaves this shop with a dower of beauty and good taste, qualified to bear the current season's greetings and endure as a bond of cultured understanding between giver and recipient throughout the years.

Gifts Assembled on a Single Floor: Main Floor—With But a
Single Purpose: Christmas

Jewelry and Fans

Necklaces of semi-precious stones, 10.50 to 150.00
Imported jewel or marcasite earrings, 3.00 to 28.00
Shell or studded combs, 3.75 to 50.00
Bracelets for forearm or upper arm, 1.00 to 350.00
Girdles, buckles or dress ornaments, 2.50 to 50.00
Fans of ostrich or other feathers, 8.75 to 55.00
Fans of black lace, metal lace or real lace, 18.50 to 200.00

Flowers and Bandoaux

Coiffure wreaths and bandoaux, 3.25 to 16.50
Single flowers and branched bouquets, .95 to 7.95
Floral girdles and garnitures, 9.50 to 37.50

Boudoir Novelties

Novelty atomizers, pump or bulb, 3.95 to 39.50
Metal trays with petit point inserts, 10.00 to 35.00
Enamel toilet sets on gilt with real ivory hand-painted miniatures; 3 to 16 pieces, 120.00 to 517.50
Imported miniature powder jars, 9.75 to 37.50
Porcelain perfume burners, 8.75 to 125.00
Jewel-studded trinket boxes, 22.50 to 55.00
Parisian character boudoir dolls, 45.00 to 55.00
Nightgown or kerchief holders with real point Venise lace, 22.50 to 65.00
Electric light period dolls, 4.75 to 75.00
Boudoir pillows in exquisite designs, 8.75 to 95.00
Work baskets of silk with lace, 4.50 to 15.00
Waste baskets to match the boudoir, 20.00 to 32.50

Leathers and Enamels

Imported genuine enameled novelties 5.00 to 100.00
Antique leather novelties; hand tooled or with petit point inserts, 2.00 to 35.00
Leather utilities in ecru, saffian or Morocco, 1.50 to 28.50

Handbags

Silk bags, plain, plaited or marcasite trimmed, 6.50 to 140.00
Beaded bags, drawstring or mounted, 7.50 to 450.00
Vanities of silk or brocade, 5.00 to 65.00
Tapestry, Paisley or Aubusson bags, 13.00 to 89.50

Handkerchiefs

Imported handspun handkerchiefs, each 3.50 to 48.00
Imported initialed handkerchiefs, box of 6, 3.00 and 4.50
Imported colored linen handkerchiefs, each .50 to 6.50
Imported patterned crepe silk kerchiefs, each .75 to 15.00
Men's imported linen handkerchiefs, each 1.00 to 12.50

Perfumes

Godet's "Jasmin" in urn-shaped flacon, 12.50
Godet's "Exquisite" in urn-shaped flacon, 12.50
Gabbia's "Moda" in decorated flacon, 18.00
Bourjois' "Mon Parfum," an exquisite fragrance, 10.00
Guerlain's "Mitsouko" or "L'heure Bleue," 10.00 to 120.00
Marie Earle fitted beauty box of leather, 25.00 and 50.00

"Bontell" Globes

Imported glass gloves, 2-clasp to 20-button, 1.50 to 7.50
Imported novelty gauntlets or mousquetaires, 3.75 to 9.50
Suede or mocha gloves, 2.95 to 4.50
Wool gloves in short or skating lengths, 1.50 to 2.95

"Bontell" Hose

Silk hose, all weights and colors, 1.75 to 12.50
Wool or silk and wool novelty hose, 1.50 to 6.95
Clocked hose, silk or wool, Paris or emb'd, 2.95 to 8.50

"Bontell" Globe Silk Underwear

Glove silk vests, 1.95 to 8.50
Glove silk knickers, step-ins or pantalettes, 2.95 to 10.50
Glove silk nightgowns, 7.50 to 18.50

In Addition There Are: Exquisite Lingerie in Single Pieces or Matching Suites,
Negligees and Hostess Gowns, Sweaters and Scarfs, Blouses,
Sportswear, Slippers, Buckles and Mules

THE GIFT BOOK

A beautifully illustrated magazine
with answers to all gift problems
MAILED UPON REQUEST